## WASHINGTON STATE DEPARTMENT OF REVENUE



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## Per Capita Cigarette Consumption Down 29 Percent Over Past Decade

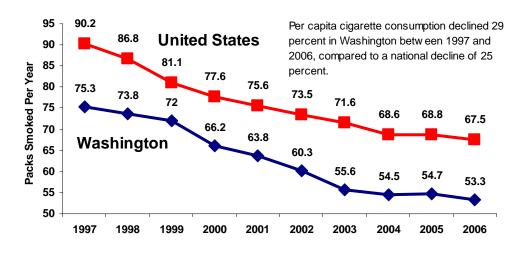
**OLYMPIA, Wash.,** January 19, 2007 — Washingtonians are smoking fewer cigarettes than they did a decade ago, and their rate of consumption declined faster than the national average, according to a new Washington Department of Revenue study.

The study used the latest data available to determine how many cigarettes people smoke, including illegally purchased cigarettes.

The comprehensive analysis found that per capita cigarette consumption dropped 29.2 percent between 1997 and 2006 due to a combination of higher taxes, a more educated and affluent populace, anti-smoking efforts and tribal cigarette compacts. Nationally, per capita consumption decreased 25.2 percent.

Cigarette consumption by Washingtonians dropped from 75.3 packs per capita in 1997 to 53.3 packs in 2006. Nationally, it dropped from 90.2 packs in 1997 to 67.5 packs in 2006.

## **Per Capita Cigarette Consumption**



The Department conducted the study to update its methodology for determining how much cigarette and sales tax it was losing to the purchase of illegal cigarettes. The Department had been using a 1997 Department of Health study that determined that Washingtonians smoked cigarettes at 86 percent of the national rate. The new study showed that the ratio declined gradually since 1997 and is now at 79 percent of the national rate.

Using these new figures, the Department estimates that illegal cigarette sales during Fiscal Year 2006 totaled 82.6 million packs, or 24 percent of total consumption, down from a high of 27 percent. That translates into an estimated \$200.7 million in lost cigarette and sales tax revenue. The study found that the level of evasion remained remarkably constant over the decade, blipping upward following significant tax hikes, then settling back into a narrow range.

During the same time period, state Department of Health studies also show the number of adult smokers in Washington is declining. In 1997, the adult smoking rate was 23.8 percent; now it is down to 17.8, fifth lowest in the country. Since 1997, the number of smokers in Washington has dropped by more than 200,000.

Another finding is the first-ever estimate of 17 million packs per year of cigarettes illegally exported from Washington to British Columbia. British Columbia estimates a total illegal market of 34 to 49 million packs.

A copy of the report is available at http://dor.wa.gov/docs/reports/CigStudyJan11\_2007.pdf.